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Federal Communications Commission
Office of Secretary

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Billed Party Preference for)
InterLATA 0+ Calls)

CC Docket No. 92-77

RESPONSES OF INVISION TELECOM, INC. TO
PUBLIC NOTICE DA 96-1695 ISSUED OCTOBER 10, 1996

InVision Telecom, Inc.
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November 13, 1996

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PER QUESTION SUMMARY OF RESPONSES

1. In many industries, such as the medical field, legal field and electric, natural gas and water industries, disclosure of price at the point of purchase is not the normal practice. Other industries include automobile repair and home construction or repair. As with these industries, rates for inmate-only telephone services can be obtained from the provider in advance.
2. The equipment primarily used by InVision currently has rate quote on demand capability. However, many other manufacturers' equipment for use in correctional institutions does not currently have that capability and upgrading some of that equipment would be infeasible.
3. InVision does not provide inmate-only telephone services outside of the United States; however, InVision currently provides rate quote on request in two states, as required by state regulation. Because InVision's equipment already possesses rate quote capability, the expenses involved are the cost of the transmission time used while providing the rate quotes and the cost of entering and maintaining current rate information in the rate quote module.
4. While InVision does not know of a formal study regarding price disclosure prior to call completion resulting in an unacceptable delay to consumers, it would not be in the public interest to force

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consumers to listen to a price disclosure they have no desire to hear. Rate disclosure, if required for calls from correctional institutions, should be on a request or demand basis only.

5. Because many manufacturers would be required to develop a retrofit or entirely new product to provide rate quote capability, InVision believes that one year would be a reasonable time period for substituting equipment capable of providing a rate quote on demand.

6. InVision does not know an industry figure for the ratio of inmate calls to non-inmate calls for interstate 0+ traffic.

7. The effect of the Commission's refusal in the payphone proceeding to ensure fair compensation for each call made using an inmate calling service provider's system is that no further regulatory constraints should be imposed on such providers as a result of this proceeding. Should the Commission nevertheless impose additional regulatory constraints, InVision would support the concept of a reasonable benchmark of 130% of the Big Three's "inmate collect" rates with rate disclosures on request required for rates exceeding the benchmark.

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InVision Telecom, Inc. ("InVision") hereby submits its responses to the specific questions posed in Public Notice 96-1695, "Common Carrier Bureau Seeks Further Comment on Specific Questions in OSP Reform Rulemaking Proceeding" released by the Federal Communications Commission (the "Commission") on October 10, 1996 ("Notice").

InVision provides telecommunications systems for use by inmates of over 500 confinement facilities nationwide, and its responses are limited to services provided in conjunction with inmate-only telephone services.

1. Are there any industries in which price disclosure to consumers at the point of purchase is not the normal practice? If so, what are those industries and what are the particular circumstances surrounding the developments of those industries?

The health care industry is one in which price disclosure to consumers at the point of purchase is not the normal practice. For example, although a consumer may ascertain the price of a routine

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office visit by asking in advance, it is not normal for a patient to be informed of the cost of laboratory tests, X-Rays, injections, etc. at the point those services are provided.

Likewise in the legal services industry, although a consumer may ascertain an attorney's hourly rate by asking in advance, it is not normal for a client to be informed of the price of each meeting, telephone call, document drafted, etc., as those services are provided.

The utility industry, which is more similarly situated to the inmate-only telephone service industry, is another example of an industry that does not provide price disclosure at the point of purchase. For example, as consumers use water, natural gas and electricity on a daily basis, they are not advised of the price. Because charges for water, gas and electric services often fluctuate based on the cost to provide the service, it may not be possible to provide point of purchase price disclosures. In addition, prices are usage sensitive, making a point of purchase disclosure impractical.

Like per unit charges for water, gas and electric services, rates for inmate-only telephone services can be obtained from the provider in advance. InVision furnishes administrators of confinement facilities for which it provides service with rate information and the toll-free telephone number of InVision's

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Customer Service department. This enables facility personnel to respond to rate inquiries from inmates and the parties they call, or refer inquiries from called parties to InVision.

2. What kinds of technologies (including payphone equipment and associated software) are currently available to provide on-demand call rating information for calls from payphones, other aggregator locations and phones in correctional institutions that are provided for use by inmates? Commenters should discuss the anticipated declining cost of these technologies, assuming a wide-spread demand for these services.

As discussed in InVision's Comments filed in this docket, an optional called party rate quote feature is one of the specialized functions that may be required of telecommunications systems in confinement facilities.¹

InVision's primary inmate calling system equipment provider is Omniphone® of Mobile, Alabama. Except for its most basic model, which can be upgraded, the optional called party rate quote feature is included in inmate calling systems manufactured by Omniphone®, at no additional cost. The current cost to upgrade the basic model so that its memory can accommodate the called party rate quote feature is \$631 per unit, which can serve up to four lines.

It should be noted, however, that as discussed in response to query 5 below, inmate calling equipment available from the majority of manufacturers does not have on-demand calling rating capability.

¹Comments of InVision on Second Further Notice of Proposed Rulemaking, CC Docket 92-77 (July 17, 1996) at Exhibit A.

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3. Are there any telecommunications markets outside of the U.S. that already make use of price disclosure prior to call completion, for example, in the U.K.? If so, please provide the technological and financial details behind the implementation of these services and any indication as to the cost and benefits from the perspective of consumers.

InVision does not provide inmate-only telephone services outside of the United States and is not familiar with other countries that may already use price disclosure prior to call completion.

However, two of the thirty-five states in which InVision currently provides inmate-only telephone service require price disclosure on request, prior to call completion.² To implement, InVision manually entered its rates into the systems serving each facility. InVision estimates its cost to implement and maintain current rates for automated called party rate quotes would be approximately \$25,000 annually. Another cost associated with implementation of the called party rate quote feature is the cost of the network time paid to InVision's underlying carriers. This cost varies based on several factors, including whether the network time is local or toll. Based on its long distance call volume alone, InVision estimates that its cost to purchase the additional

²Georgia Public Service Commission, Rules and Regulations for Provision of Institutional Telecommunication Services, Rule (13). Administrative Rules of Montana, Utility Division, § 38.5.3440 (2)(a).

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network time to provide rate quotes for each long distance call would be approximately \$300,000 annually.³

4. Some commenters have claimed that price disclosure prior to call completion would create an unacceptable delay to consumers. Are there any studies that substantiate or dispute this contention and are those studies available? Are there any studies available that provide indications of consumer satisfaction or dissatisfaction with 0+ services provided in this fashion?

While InVision does not know of a formal study regarding price disclosure prior to call completion resulting in an unacceptable delay to consumers, InVision does not believe that it would be in the public interest to force consumers to listen to a price disclosure they have no desire to hear.

Specifically, in the inmate environment consumers typically receive multiple calls from the same inmate, making a rate quote preceding each call repetitive and unnecessary. If the Commission imposes price disclosures, they must be on a request or demand basis for calls from confinement facilities.

The Omniphone® system includes the following voice prompt option:

This is a collect call from <inmate's name> from the <name of jail> using InVision Telecom, Inc. To accept the call dial zero.

To refuse the call dial five or hang up now.

³See, Comments of InVision on Second Further Notice of Proposed Rulemaking, CC Docket 92-77 (July 17, 1996) at 11.

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For a rate quote dial seven.

If the called party dials seven, the rates for the call are given, e.g., "X.XX for the first minute, \$.XX for each additional minute."

In addition to causing dissatisfaction to the called party, requiring an inmate to wait additional time while a price disclosure is provided for each call would also cause frustration because inmate access to the telephones is usually limited. Mandatory rate quotes prior to each call would also unnecessarily burden the service provider's network.

5. If some or all of embedded base equipment and software are incapable of providing audible notice to consumers for on-demand call rating, what time period would be reasonable for substituting equipment and software that is capable of doing so?

It is InVision's understanding that many manufacturers would be required to develop either a retrofit or an entirely new product to provide rate quotes on demand. Therefore, InVision believes that a reasonable time period for requiring rate quote capability for newly installed equipment would be one year.

6. What percentage of interstate 0+ calls do calls from correctional institutions constitute, both in quantity and dollar volume, over the last 5 years?

InVision does not know an industry figure for the ratio of inmate calls to non-inmate calls for interstate 0+ traffic.

7. What effects, if any, will the recent Report and Order in In the Matter of Pay Telephone Reclassification and Compensation

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Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket Nos. 96-128, 91-35, FCC 96-388 (released September 20, 1996) have on this proceeding?

In light of the Commission's stunning decisions to deny inmate-only telephone service providers fair compensation for every call,⁴ the imposition of additional, costly regulatory constraints, e.g., interstate rate benchmarks or rate disclosures, would be unconscionable. The award of a per-call compensation amount to ensure that inmate service providers are fairly compensated for each and every call as mandated by the Telecommunications Act of 1996 would have relieved reliance on interstate revenues as necessitated by certain inappropriate intrastate rate caps on local, intraLATA and interLATA calls that preclude fair compensation for those calls.⁵ That relief, coupled with competitive pressures created elsewhere in the Report and Order, would have eliminated the need for this docket with regard to inmate-only telephone service.

⁴In the Matter of Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order FCC 96-388 (rel. Sept. 20, 1996), ¶74; Order on Reconsideration FCC 96-439 (rel. Nov. 8, 1996), ¶72.

⁵See, Petition for Reconsideration of InVision Telecom, Inc., filed October 21, 1996, In the Matter of Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128.

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Thus the effects of the Commission's decisions in the payphone proceeding are that no further regulation should be imposed on inmate-only telephone service providers by this proceeding.

Should the Commission decide, nevertheless, to impose additional regulation, InVision would support the concept of a reasonable benchmark with rate disclosures on request required for rates that exceed the benchmark. In view of the absence of fair compensation for all calls, a reasonable interstate benchmark rate would be 130% of the Big Three's "inmate collect" rates. Because of the Commission's decision to detariff these rates,⁶ such a benchmark could be determined at current rates, adjusted annually for inflation, and applied to all carriers, including the Big Three.

RESPECTFULLY SUBMITTED,

INVISION TELECOM, INC.

BY:



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⁶In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace Implementation of Section 254(g) of the Communications Act of 1934, as amended, CC Docket No. 96-61, Second Report and Order FCC 96-424 (Rel. Oct. 31, 1996).